

# MODERN SLAVERY

STATEMENT 2024



**IMPERIAL  
BRANDS**  
Australasia

# MODERN SLAVERY

## STATEMENT 2024



For more information  
on Imperial Brands' ESG  
strategy and detailed approach  
to human rights, please visit:  
[www.imperialbrandsplc.com/  
healthier-futures/](http://www.imperialbrandsplc.com/healthier-futures/)



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Imperial Tobacco Australia Limited ACN 088 148 681 trading as Imperial Brands Australasia (IBA) is the Australian trading subsidiary in the Imperial Brands plc group of companies ('Imperial Brands' or 'the Group') and is a reporting entity within the meaning of sections 4 and 5 of the Modern Slavery Act 2018 (Cth). This statement covers IBA's full financial year to 30 September 2024. This is the fifth statement IBA has produced to comply with the Modern Slavery Act 2018 (Cth). The previous statements produced by IBA can be accessed on the public registry. IBA's Board of Directors approved this statement on 16 May 2025 in accordance with section 13(2)(c) of the Modern Slavery Act 2018 (Cth), and it is signed on IBA's behalf by Brett Mather.

# OUR COMMITMENT

As an international business, Imperial Brands recognises the importance, influence, and duty Imperial Brands has in promoting respect for human rights. The Group's policy is to respect and support the dignity, wellbeing and human rights of its employees, the workers in its supply chain and the communities in which Imperial Brands operates. Imperial Brands is committed to conducting its business in a responsible and sustainable way, seeking to mitigate the potential risk of human rights abuses both within its direct operations and supply chain.

Like all businesses, Imperial Brands runs the risk of being exposed to modern slavery either within its direct operations or indirectly through its supply chain. Imperial Brands recognises that managing this risk is a multi-stakeholder issue, one which requires engagement with the Group's employees, business partners, suppliers and other key stakeholders associated with its business, including customers and NGOs.

The Group's commitment to human rights, including modern slavery and forced labour, extends through several Group policies, including Imperial Brands' Code of Conduct, Supplier Code of Conduct, and the Human Rights, Speaking Up and Group Health, Safety and Wellbeing policies. These documents set out the foundations for its approach to human rights, which all its employees, business partners and suppliers are expected to adhere to.

The governance structure of Imperial Brands' ESG (environmental, social and governance) responsibilities includes the People, Governance and Sustainability Committee chaired by the Chair of Imperial Brands, which receives direct reports from the Group ESG and the Group Ethics and Compliance Committees chaired by the CEO.

Human rights, which includes modern slavery, is one of the Group's eight ESG priorities. Read about the other priority areas, here: <https://www.imperialbrandsplc.com/healthier-futures/our-esg-strategy>.

The Group's ESG strategy sets clear aims for each of its ESG topics and is aligned with the United Nations (UN) Sustainable Development Goals (SDGs), which aim to have a transformational impact on the world by 2030. The Group's performance against its ESG strategy is detailed within the Annual Report and Accounts, the corporate website, and its ESG Performance Summary.

In 2024, Imperial Brands' focus was on strengthening its human rights due diligence framework and embedding human rights awareness across the business. As part of its modern slavery commitments, Imperial Brands targeted to conduct three in-person modern slavery audits but Imperial Brands successfully completed five, in the Ivory Coast, the US, and Morocco. These locations were selected using a combination of international data and local knowledge from the Group's own operations. Additionally, Imperial Brands piloted lighter-touch modern slavery online audits in Burkina Faso, Madagascar, Puerto Rico, Taiwan, and the US. Imperial Brands reframed its modern slavery leading indicators as human rights leading indicators (HRLI) and enhanced their descriptions with additional guidance and examples.

To further embed human rights awareness, Imperial Brands conducted 19 human rights webinars for the business, engaging over 940 employees across the organisation, and made the human rights digital learning module mandatory for those with a management role and all employees in English-speaking countries. At the time of drafting this statement, over 3,950 employees had completed the training.

Imperial Brands launched a refreshed Group Code of Conduct in financial year 24. Front and centre of this new Code is the message that its people should feel free to speak up about any concern they may have relating to compliance or ethics matters, anonymously if necessary, and without fear of retaliation. There is also new coverage of diversity, equity and inclusion, and the introduction of a dedicated section on integrity in science.

Imperial Brands rolled out its updated Supplier Code of Conduct to current and new suppliers and implemented a Third-Party Risk Framework to continue increasing Imperial Brands' impact in the areas of human rights and the environment. The 'Leaf Partnership' program supported over 128,000 new beneficiaries in priority countries across Africa, Asia, the Americas, and Europe, aiming to support Imperial Brands' suppliers in their work to address the root causes of human rights risks.

Imperial Brands, including IBA, is committed to raising awareness and improving processes in its business and supply chains, and its progress against this commitment is detailed throughout.

## APPROVAL

The IBA Board of Directors approved this statement on 16 May 2025.



**Brett Mather**

General Manager, Imperial Tobacco Australia Limited



# OUR BUSINESS AND SUPPLY CHAINS

Imperial Brands recognises that, along with its direct operations, its supply chain has the potential for human rights abuses, and is committed to working with its employees, suppliers and business partners to improve supply chain standards.



# OUR STRUCTURE, BUSINESS AND SUPPLY CHAINS

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## OUR STRUCTURE

Imperial Brands is the fourth largest international tobacco group of companies, operating across 120 markets. Imperial Brands manufacture and sells conventional tobacco products (such as cigarettes and rolling tobacco), smoking accessories (including cigarette papers) and potentially less harmful Next Generation Products (NGPs) (such as e-cigarettes, heated tobacco products and snus).

IBA is the Australian trading subsidiary of Imperial Brands. Its ultimate holding company is Imperial Tobacco Limited, registered in the United Kingdom.

IBA is a public company registered in Australia with its principal place of business and registered office at John Player Special House Level 4, 4-8 Inglewood Place, Norwest NSW.

In the financial year ending 30 September 2024, IBA employed approximately 203 people in Australia.

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## OUR BUSINESS

As Imperial Brands enters the final year of its current strategy, Imperial Brands has strengthened the Group and delivered a more consistent performance.

Imperial Brands has become a more effective challenger business through new consumer capabilities, agile ways of working, and a high-performance culture.

This ongoing transformation is driving improving operational and financial outcomes, and growing capital returns.

The Group's commitment to ESG issues is a core element of its business strategy and aligns to its purpose and vision.

The Group's ESG strategy and ESG priorities, including modern slavery, continue to underpin its commercial strategy.

Imperial Brands is committed to fulfilling its ESG responsibilities by maintaining a strong governance framework that emphasises high standards of corporate governance, transparency and ethics.

Imperial Brands is committed to continuously reviewing and enhancing its risk management processes and disclosure practices to align with evolving standards and best practices.

This statement includes policies and processes conducted by Imperial Brands and the Australian subsidiary, IBA.

# OUR BUSINESS AND SUPPLY CHAINS

IMPERIAL BRANDS' BUSINESS AND WORKFORCE IN 2024

**25,000**

employees  
worldwide

**27**

manufacturing  
sites

**£8.2 bn**

generated in  
tobacco and NGP  
net revenue



**160**

brands in  
its portfolio

**£2.4 bn**

in capital returned  
to shareholders

**c.120**

markets Imperial  
Brands operates in

# OUR BUSINESS AND SUPPLY CHAINS

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## IBA LOCAL SUPPLY CHAINS

IBA, as a trading subsidiary of Imperial Brands, imports and distributes conventional tobacco products and smoking accessories in Australia. Approximately 99% of IBA's product imports originate from Taiwan or the European Union where they are manufactured by Imperial Brands. The balance of the manufactured tobacco products which IBA imports and distributes are from companies that are not part of the Group.

Overall, IBA distributes tobacco products to approximately 4400 wholesalers and retailers across Australia, and Imperial Brands work with two logistics companies who facilitate the distribution of these products.

IBA works closely with the Group and approximately 184 other suppliers who together provide a wide range of services supporting IBA's local operations.

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## IMPERIAL BRANDS' SUPPLY CHAINS

Suppliers are essential partners in the Group's business operations – and their commitment to quality, innovation and ethical practices supports both Imperial Brands' commercial success and its ESG agenda.

Imperial Brands establish a relationship of trust and integrity with its suppliers. It expects its suppliers to conduct their business in an ethical and responsible manner and comply with all applicable laws and regulations, provide a fair and safe workplace, and demonstrate respect for human rights, diversity, equity, and inclusion, as well as to adopt policies and practices that protect the planet and reduce negative environmental impacts.

The Group's respect for human rights is reflected in its requirements for supplier standards, business conduct and employment practices. The Group's Supplier Code of Conduct refreshed in 2023, is available in 32 languages and sets out the behaviours Imperial Brands expects its suppliers to demonstrate.

The Supplier Code of Conduct is embedded into its Procurement Policy and processes, which govern how Imperial Brands, including IBA, select and contract with its suppliers.

Imperial Brands has regular meetings throughout the year with its centrally managed suppliers where any ESG-related concerns can be raised. If a supplier fails to demonstrate its commitment to ESG, Imperial Brands may require improvements or it has the option to terminate the relationship.

Imperial Brands recognises that, along with its direct operations, its supply chain has the potential for human rights abuses. Imperial Brands is committed to working with its suppliers and business partners to improve supply chain standards. In 2023, Imperial Brands launched its updated Supplier Code of Conduct to reflect its sustainability commitments as part of its ESG strategy.

The Group's ambition doesn't stop at minimum standards. Imperial Brands will look to address activities that Imperial Brands think may breach the Supplier Code of Conduct, and encourages its suppliers to seek opportunities to go beyond the expectations outlined in it so that Imperial Brands can, together, make a positive social and environmental impact.

# OUR BUSINESS AND SUPPLY CHAINS

## CASE STUDY

Imperial Brands has opted to use Sedex (Supplier Ethical Data Exchange) to enhance supply chain visibility, assess risks and ensure compliance with legislation. Imperial Brands expect its partner suppliers to be registered with Sedex (or an equivalent platform) and to have initially completed a self-assessment questionnaire covering the following categories: Labour, Health & Safety, Environment, and Business Ethics.

Imperial Brands has met its 2024 target of implementing third-party ethical risk assessments for over 60% of its partner suppliers. In 2025 Imperial Brands will expand its use of SEDEX and third-party risk assessments. Imperial Brands have established a risk-based approach to determine when suppliers need to undergo a Sedex Members Ethical Trade Audit (SMETA) by a verified third-party auditor. Using the audit results, Imperial Brands will encourage its suppliers to take action to minimise risks and enhance their overall ESG performance.

Imperial Brands will integrate the use of Sedex and SMETA audits into its procurement process, ensuring that suppliers adhere to ethical standards and sustainability practices. Supplier improvement plans will be developed and monitored to drive continuous improvement and foster long-term partnerships based on shared sustainability goals.

The Group also introduced ESG minimum standards for its contract manufacturers, with the first SMETA audits set for FY25.

Additionally, throughout 2024, Imperial Brands successfully continued the rollout of its updated Supplier Code of Conduct. This significant milestone underscores its commitment to fostering a supply chain that aligns with its high standards for business integrity, human rights, diversity, equity, inclusion, and environmental sustainability, by working towards this, Imperial Brands aims for its operations to reflect its values and support its broader goals for responsible and ethical business practices.





# OUR BUSINESS AND SUPPLY CHAINS

## IMPERIAL BRANDS' SUPPLY CHAINS

**Imperial Brands has two distinct supply chains consisting of tobacco leaf supply and Non-Tobacco Materials supply (NTM), which includes NGP, indirect goods and services, and logistics.**



### TOBACCO LEAF SUPPLY

Imperial Brands takes pride in working with its suppliers to advance good agricultural practices and are committed to purchasing tobacco from socially and environmentally responsible suppliers.

Imperial Brands source tobacco globally, primarily through large international tobacco merchants. It has a global sourcing footprint covering Africa, the Americas, Asia and Europe. Of these, Imperial Brands' largest tobacco-sourcing countries include Brazil, India, Spain, and China.



**Imperial Brands purchase approximately 97% of its tobacco by value through both global and niche suppliers from more than 30 countries worldwide, and around 3% from its own directly contracted farms.**

In 2024, Imperial Brands purchased more than 99,000 tonnes of tobacco leaf from 32 countries around the world. Based on the 2023 tobacco leaf crop year, 100% of its suppliers reported on their due diligence and actions taken through the Sustainable Tobacco Programme (STP). The STP includes a human rights module and specifically references guidance on modern slavery. Further information on STP is detailed in the statement's Assessment of Modern Slavery Risk in Operations and Supply Chain & Effectiveness of Our Actions.

**c.99,000**

tonnes of tobacco leaf  
purchased from 32 countries



### NON-TOBACCO MATERIALS SUPPLY (NTM)

NTMs that Imperial Brands buy include paper, filters, glue and ingredients for cigarette and cigar products. Together with the components that go into making NGP, such as plastic casings, batteries and heaters, these represent the materials which are directly used in the manufacturing process and part of the final product. Imperial Brands also refer to these NTMs as 'direct materials' because they are included in its products.

Imperial Brands also procure goods and services that, while an essential part of the overall manufacturing or operations process, are not integrated into the final product. Imperial Brands refer to these as 'indirect', or general goods and services. These include IT hardware and software, professional and corporate services, the provision of utilities, facilities management and logistics.

All key strategic direct and indirect suppliers are managed by the Group's global procurement central category teams, and smaller suppliers are managed by its local procurement teams. Year-on-year, Imperial Brands consolidate the number of suppliers where it can, to better enable oversight and control over the supply chain.

In 2024, Imperial Brands had 224 direct material suppliers, 75 of which are managed centrally by its global procurement team and 149 managed by its local procurement teams. Of its direct material supplier base, approximately 85% of its main spend is with 24 suppliers.

**c.12,000**

suppliers on the Group's  
approved direct and indirect  
supplier list

# GOVERNANCE AND POLICIES

As a global business, Imperial Brands recognises the role it has in promoting respect for human rights, including the prevention of modern slavery.



# GOVERNANCE AND POLICIES



A governance structure for ESG responsibilities includes the Group ESG and Group Ethics & Compliance Committees which report to the Executive Leadership team and the People, Governance & Sustainability Committee of the Board.

Endorsed by the ESG Committee, the Human Rights Compliance Working Group (HRCWG) operates to strengthen Imperial Brands' human rights due diligence framework.

Imperial Brands maintains a human rights risk appetite statement, which is endorsed annually by the Risk Committee and the Board.

## GOVERNANCE

To help the Board with overseeing ESG issues, the People and Governance Committee has been reframed as the People, Governance & Sustainability (PGS) Committee, chaired by the Chair of Imperial Brands.

The PGS Committee receives input from two Executive Committees: the Group ESG Committee and the Group Ethics and Compliance (GEC) Committee, both chaired by the Group CEO. The PGS Committee monitors the management and mitigation of key ESG and ethics and compliance (E&C) risks as well as the Group's ESG and E&C performance.

The GEC Committee is responsible for providing leadership and oversight of the Group's ethics and compliance programme. It supports and reinforces effective mitigation of ethics and compliance risk, oversight of investigations, review of the Group and Supplier Codes of Conduct and activities and processes that foster ethical business conduct, and legal and regulatory compliance.

The ESG Committee is responsible for overseeing the Group People and Planet agenda. It considers the Group's progress on ESG commitments and objectives, as well as the resources allocated to them.

### RELATED POLICIES

[Code of Conduct](#)

[Supplier Code of Conduct](#)

[Human Rights Policy](#)

[Speaking Up \(whistleblowing\)](#)

[Anti-Bribery and Corruption Policy](#)

[Employment Policy](#)

[Fairness at Work Policy](#)

[Global Procurement Policy](#)

[Group Environmental Policy](#)

[Group Health, Safety and Wellbeing Policy](#)

## POLICIES

As a global business, Imperial Brands recognises the role it has in promoting respect for human rights, including the prevention of modern slavery and human trafficking. Imperial Brands and IBA's policy is to respect and support the dignity, wellbeing and human rights of its employees, the workers in its supply chain and the communities in which Imperial Brands operates.

The Group's Code of Conduct ("the Code") is the foundational document of Imperial Brands' governance framework. It is the Group's guide to doing the right thing and outlines the standards of behaviour that Imperial Brands expects from everyone who works for the organisation. It is aligned with the policies, internal controls and risk management processes that underpin the Group strategy. The Code sets out the responsible behaviours Imperial Brands expects, including from employees in their dealings with colleagues, customers, consumers, suppliers, agents, intermediaries, and advisers.

In 2024, the Code was revised and aligned with the Group's Strategy, Behaviours, ESG Strategy and its new Supplier Code (published in 2023).

The revised Code highlights the importance of Speaking Up about concerns and the value Speak Ups can bring to a strong culture of compliance.

The Group's commitment to human rights is a fundamental part of the Code and its Supplier Code of Conduct.

Imperial Brands expect its employees to comply with applicable human rights laws and with the human rights commitments contained in the Code and its Human Rights Policy.

The Supplier Code of Conduct is embedded into its Procurement Policy and processes, which govern how Imperial Brands select and contract with its suppliers.

The Group's commitment to respect human rights is informed by internationally recognised standards, including the International Bill of Human Rights<sup>2</sup>, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the ILO's core conventions<sup>3</sup>, as well as the principles contained within the UN Guiding Principles on Business and Human Rights<sup>4</sup> (UNGPs) and the UN Sustainable Development Goals<sup>5</sup> (UNSDGs).

2. The International Bill of Human Rights is comprised of the Universal Declaration on Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights.

3. Imperial Brands is also guided by ILO Convention No.138 on Minimum Age for Employment and ILO Recommendation No.190 on the Worst Forms of Child Labour,

respectively; ILO Convention No.29 on Forced Labour and No.105 of the Abolition of Forced Labour.

4. The UN Guiding Principles on Business and Human Rights are a set of guidelines for States and companies to prevent, address and remedy human rights abuses committed in business operations.

5. The UNSDGs are a set of 17 interconnected universal goals intended to create a "blueprint to achieve a better and more sustainable future for all." They are a global call to action for governments, businesses, academia, civil society organisations and individuals alike to realise sustainable development by 2030. The UNSDGs were adopted in September 2015 by the UN General Assembly.

# GOVERNANCE AND POLICIES

## POLICIES (cont.)

The Group's Human Rights Policy applies to all Imperial Brands companies, including wholly owned subsidiaries such as IBA, and to any joint venture where Imperial Brands has management control. Imperial Brands also encourage its standards to be applied in companies where it does not have management control.

The Group Human Rights Policy applies to all employees, directors, and officers of Imperial Brands companies, including temporary and contract staff. In 2021, Imperial Brands conducted an expert review of its policy to increase alignment with international standards such as the UNGPs and the ILO Conventions. In 2022, Imperial Brands refreshed its Human Rights Policy in the spirit and ambition of its new ESG Strategy. As part of that work, Imperial Brands acted on feedback from a number of external agencies and internal stakeholders. In 2023, Imperial Brands reviewed its Human Rights Policy to ensure it reflected new trends and developments in respecting and promoting human rights. Imperial Brands also included an updated list of its human rights risks, also known as 'salient issues'. One of the salient issues identified is modern slavery.

In 2024, Imperial Brands revised its definition of child labour, another salient issue, to provide clearer guidance on its stance. It is as follows:

"We do not tolerate child labour. Child labour is defined as work that deprives children of their childhood, potential, and dignity, and is harmful to their physical and mental development. The Group's policy is consistent with the standards established by ILO Conventions No.138 (Minimum Age), No.182 (Worst Forms of Child Labour), and No.184 (Health & Safety in Agriculture).

The Group's minimum age for employment to full work is 15 years or the minimum age in accordance with local laws, whichever affords greater protection<sup>6</sup>. No young person below 18 should be involved in any type of hazardous work<sup>7</sup>. Light work may be permitted in accordance with local laws, provided this does not interfere with schooling, health, or personal development.

Imperial Brands considers that decent and safe youth employment above the local legal working age can be an important contribution to young people's development, their future, and for economic opportunities in the communities in which Imperial Brands operates."

Through its procurement processes, Imperial Brands expects its suppliers to meet the minimum standards outlined in its Supplier Code of Conduct – and go further, where possible or required by contractual agreement.

Imperial Brands take a 'continuous improvement' approach to the implementation of these standards. Where a breach of its Supplier Code of Conduct is suspected, it may request the supplier to cooperate with an internal or external review and to make improvements. Otherwise, it can have the option to terminate the relationship. Imperial Brands also expects its suppliers to endeavour to ensure that their own business partners meet standards comparable to those set out in its Supplier Code of Conduct.

The Group's Supplier Code of Conduct, updated in 2023, reinforces its commitment to conducting its business ethically and respecting and promoting human rights and the environment.

Compliance with the Code and Supplier Code of Conduct is monitored through the due diligence processes outlined from page 22.



6. ILO Convention 138 establishes that certain developing countries may specify a minimum age of 14.

7. Hazardous work must be referenced against the list issued by each country, as established by ILO Convention 182 on the Worst Forms of Child Labour, which has been universally ratified.



# GOVERNANCE AND POLICIES

## CASE STUDY

### 'LEADING ON HUMAN RIGHTS INNOVATION'

CCLA Investment Management are the co-ordinators of the "Find it, Fix it, Prevent it" framework, a collaborative investor initiative focused on combating modern slavery. It currently represents 65 investors with a collective asset under management or advisory of £15 trillion.

Each year, CCLA's benchmark assesses the top 100 UK-listed companies by market capitalisation on their efforts to combat modern slavery, using the Find it, Fix it, Prevent it engagement framework.

In the final days of the 2024 financial year, Imperial Brands was upgraded to a Tier 1 Company, along with only 11 other companies. As part of its Tier 1 ranking, Imperial Brands is described as having an "evolved and mature approach to human rights due diligence, [demonstrating] extensive discussion on the risks, case studies on systemic modern slavery risks in the sector, and discussion on meaningful activity to find, fix and prevent modern slavery."

This independent, external recognition is a testament to the Group's efforts in minimising its exposure to modern slavery and labour exploitation risks.

**CCLA**  
GOOD INVESTMENT



# GOVERNANCE AND POLICIES



The Group's Human Rights Policy applies to all Imperial Brands companies, including wholly owned subsidiaries, and to any joint venture where Imperial Brands has management control.

In 2021, Imperial Brands strengthened its alignment with international standards, including the UNGPs and ILO Conventions. The Group's Human Rights Policy was updated in 2022 and reviewed again in 2023. Additionally, Imperial Brands introduced a new Supplier Code of Conduct in 2023.

## REPORTS OF MODERN SLAVERY

In 2023, within its direct Leaf operations, Imperial Brands reported on two findings from a third-party Human Rights Impact Assessment (HRIA) conducted in Madagascar during the previous reporting period. The HRIA risks highlighted included fair treatment, health and safety, and working hours. The action plan developed and implemented from 2023 to 2024 is now being evaluated for effectiveness, and following this assessment, it will be reviewed and revised for the coming crop year.

Imperial Brands found two instances of non-conformance with policy in relation to transport fees and the retention of identity cards on one of its commercial farms. They related to seasonal migrant workers from the south of Madagascar who travelled north for the tobacco growing and harvesting season. Imperial Brands found that 109 seasonal migrant workers had had their identity cards temporarily retained by local farm offices, and 979 migrant workers had paid transport fees totalling USD 30,000 during the growing season in 2022. Immediate remediation followed. Actions included returning any identity cards still held, steps to fully reimburse the transport fee and refresher training to reduce the risk of recurrence.

Imperial Brands takes these findings seriously. Imperial Brands has closely monitored the remediation actions taken on its commercial farms in Madagascar to reduce the risk of recurrence. No further instances have been identified. Imperial Brands faced challenges contacting all affected workers to make reimbursements in a country where many people do not have access to mobile phones or email and where word-of-mouth and informal referrals are used for recruitment. As a result, its best efforts to reimburse the entire population of workers have been impacted, and this aspect of its remediation remains in progress. Imperial Brands has learned from this challenge, aiming to enhance seasonal worker record-keeping and formalise recruitment channels. For the crop year 2024, all workers – both migrant and locally resident – were recruited directly by the Group's People & Culture team.

The immediate action to stop transport fees for seasonal migrant workers has been fully implemented with the introduction of company provision of transport. Imperial Brands has engaged nearly 1,000 workers on its commercial farms during the 2024 crop season. Imperial Brands asked for their feedback on the remediation actions implemented since 2023, and they gave a 92% satisfaction rate. Imperial Brands remain committed to continuing to listen, learn, and evaluate the effectiveness of remediation actions to address root causes.

# GOVERNANCE AND POLICIES

## CASE STUDY

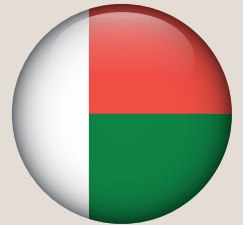
### TOBACCO FARMER NON-CONFORMANCES IN MADAGASCAR

Imperial Brands found non-conformances by one directly contracted farmer in Madagascar during the 2023 crop season relating to the farmer's employment of one migrant worker. The farmer and worker had agreed terms of employment Imperial Brands found to be contrary to its policy and the contract between Imperial Brands and the farmer. The non-conformances related to unpaid overtime, payment-in-kind and the temporary retention of the worker's identity card.

Immediate remediation followed. Actions included: requesting that the farmer immediately return the worker's identity card and fully reimburse for unpaid wages, and re-training the farmer on the policy, to reduce the risk of recurrence.

Imperial Brands terminated its contract with the farmer for the crop year 2024 and will consider reinstating its contract in future, if strict compliance and monitoring requirements are met.

Imperial Brands has learned from this incident, aiming to enhance its monitoring systems and controls, such as piloting mandatory payslip booklets for farmers, additional training approaches for farmers, and steps to increase awareness in workers of their rights.





# GOVERNANCE AND POLICIES

## CASE STUDY

### COLLABORATIVE EFFORTS TO COMBAT CHILD LABOUR IN SUPPLY CHAINS IN THE IVORY COAST

During an internal informational webinar in February 2024, one of the Group's employees raised a concern about the potential use of child labour by one of its Empty Package Survey (EPS) suppliers in a region of the Ivory Coast. Immediate action was taken. EPS operations in the country were halted, and a review was conducted. Imperial Brands found that on at least one day in February, three underage children were involved in the work.

Immediate remediation followed. Actions included: a risk assessment of the EPS operation to identify areas for enhancement, and the identification of steps to reduce the risk of recurrence.

Fostering open communication, raising awareness, and providing training to the Group's employees on modern slavery and labour exploitation enhance its ability to identify potential human rights violations.





# GOVERNANCE AND POLICIES

## SPEAKING UP

The Group's Speaking Up process provides an important mechanism through which reports of modern slavery or other alleged human rights abuses can be made. In addition, there are several other ways for Imperial Brands' employees to raise concerns, including via their People Leader or local People and Culture (P&C) business partner. Alternatively, it is also possible to contact Group Legal directly.

The Group's Speaking Up channel is equally available to temporary workers, suppliers, external business partners and the communities in which Imperial Brands works. Concerns can be reported confidentially through its secure online Speaking Up platform, accessible from a PC or mobile device by scanning the QR code or visiting <https://imperialbrands.whistleblownetwork.net>. Reports can be submitted anonymously if preferred. Additionally, in some countries, a local toll-free telephone number is available for reporting concerns; a list of these numbers can be found in the Group [Speaking Up Policy](#).

Imperial Brands will protect the confidentiality of anyone who speaks up and will not tolerate any form of retaliation or discrimination against someone who raises a concern or participates in an investigation. Retaliatory behaviour may result in disciplinary action, up to and including dismissal.

An example of the value of Speaking Up took place in 2024: two reports of employee misconduct were raised by employees on Imperial Brands' commercial farms in Madagascar through the Speaking Up channels. The reports related to the treatment of employees by supervisors which was against its Code of Conduct. The reports were independently investigated and substantiated. Imperial Brands took disciplinary action in response.

Updates on its Speaking Up process and incidents are provided to the Board PGS Committee.

## THE IMPORTANCE OF ASKING FOR HELP AND SPEAKING UP

Imperial Brands takes any allegations relating to human rights extremely seriously. Imperial Brands believes that by sharing opinions and concerns, it can innovate, improve, and become more effective as an organisation. Imperial Brands can reduce risks and resolve issues by telling people about unsafe conditions or improper behaviour to create a better, safer workplace.

Imperial Brands established a Modern Slavery Working Group to escalate any concerns of modern slavery effectively.

Imperial Brands has utilised this working group to review its existing escalation process to identify potential areas for improvement. As one of its modern slavery commitments for 2023, working with Slave-Free Alliance, of which Imperial Brands is a founding member, Imperial Brands developed a modern slavery toolkit to help colleagues enhance their knowledge about modern slavery, identify its key indicators and characteristics, respond appropriately to potential victims, and to escalate and report any concerns. The Human Rights Compliance Working Group endorsed the toolkit, which was presented to the ESG Committee in September 2023.

In 2024, Imperial Brands developed a standardised local escalation process aligned with its Speaking Up Policy and shared it with an initial selection of local champions. This was intended to enhance its understanding of the steps to take if Imperial Brands identified potential cases of modern slavery or labour exploitation in its operations. The new local escalation process is available in several languages.

### SPEAKING UP



The Speaking Up Policy is made available both internally and on the Group website in over 30 languages.

Further information can be found in our [Speaking Up Policy](#).



Further information can be found in the Group's Speaking Up Policy.

For further information on how Imperial Brands is addressing ESG-related topics please visit its website:

[www.imperialbrandsplc.com/healthier-futures](http://www.imperialbrandsplc.com/healthier-futures)

## SPEAKING UP



# ASSESSMENT OF MODERN SLAVERY RISK WITHIN OUR OPERATIONS AND SUPPLY CHAIN

The Group's ongoing commitment to human rights includes a desire to make a positive impact within its suppliers' tobacco-growing communities. The Sustainable Tobacco Programme (STP) is its key framework enabling this commitment.



# ASSESSMENT OF MODERN SLAVERY RISK WITHIN OUR OPERATIONS AND SUPPLY CHAIN & ACTION EFFECTIVENESS



The Group's ongoing commitment to human rights includes a desire to make a positive impact within its suppliers' tobacco-growing communities. The Sustainable Tobacco Programme is the key framework enabling its commitment.

Imperial Brands collaborate with its suppliers to enhance standards and minimise leaf supply risks in its leaf supply chain. Imperial Brands establish and maintain supplier partnerships through STP.

The STP is an industry body which verifies annual supplier self-assessments. To accelerate positive social and environmental impact in tobacco-growing communities, Imperial Brands aims to enhance agricultural supply chain due diligence.

The STP is independently managed and provides the Group with enhanced visibility over its leaf supply chain in two ways:

1. By empowering its suppliers to report on the actions they are taking to address any risks identified, and how they are having a positive impact on the ground.
2. By verifying these actions taken either remotely or in the field. This informs its strategy to support the Group's suppliers in taking effective action.

All Imperial Brands' tobacco leaf suppliers are expected to participate in the STP. In 2024 (based on the 2023 tobacco leaf crop year), 100% of its suppliers reported on their due diligence.

Imperial Brands uses this information to develop action plans that assist its leaf suppliers in implementing effective measures.

Imperial Brands maintain ongoing dialogue with these suppliers to monitor their progress and provide support through Leaf Partnerships, enhancing long-term projects and initiatives. Through Leaf Partnerships, Imperial Brands works directly with its leaf suppliers to fund identified projects on a risk-based approach and support their impact in tobacco-growing communities.

Imperial Brands enhances the STP data gathered, analysed and responded to by conducting in-country verifications. The purpose is to corroborate information provided by suppliers through STP on their approach to address potential risks identified, and further understand their systems, processes and interventions in place. In 2024, in-country verification was conducted in three of the Group's five priority countries<sup>8</sup> that had not been verified in 2023 and a further three countries, as a risk-based selection. These exercises gave Imperial Brands the opportunity to see where suppliers could benefit from support to increase their impact, through Leaf Partnerships. The Group's progress in the remaining two of its priority countries was impacted by regional conflict and civil unrest.

In 2024, Imperial Brands participated in seven independent Supply Chain Impact Assessments (SCIA) conducted in the field and jointly commissioned through the STP. One focus of the SCIA's was to identify human and labour rights risks, and support suppliers to develop prioritised action plans. One SCIA, conducted in Mexico in partnership with other tobacco manufacturers, involved two tobacco suppliers.

A total of 280 leaf growers, workers, family and community members were engaged across these suppliers' tobacco-growing communities to support the supplier to identify human rights risks and impacts including: a lack of PPE, inadequate sanitary and hygiene facilities on-farm, and the employment of workers under 18 years old in potentially hazardous tasks. As a result of the SCIA, both suppliers put in place remediation plans. Imperial Brands suspended its supply contract with one supplier following confirmed incidence of child labour. The Group's preferred approach is to work with and support its suppliers, aiming to support them to improve conditions for affected workers. As such, Imperial Brands continues to engage with the suspended supplier and are following closely the implementation of their remediation actions and measures taken to reduce the risk of recurrence. Imperial Brands will consider reinstating the supplier in the future in the event that it has addressed the key risks and impacts.

Imperial Brands is proud to be a founding member of the Slave-Free Alliance (SFA) and continue to support the international charity Hope for Justice in their pursuit of a slave-free world. As part of its modern slavery commitments for 2023, with Slave-Free Alliance, Imperial Brands developed a modern slavery toolkit to help its employees enhance their knowledge about modern slavery, identify its key indicators and characteristics, respond appropriately to potential victims, and escalate and report any concerns. To reach a wider audience, Imperial Brands has translated this toolkit into French and Filipino, with more languages to follow.

To further raise awareness of modern slavery, Imperial Brands has developed a standardised local escalation process, translated into several languages, to provide guidance on responding to concerns. Imperial Brands will continue to expand the use of this process and aim to include it in its planned Human Rights Corners. These notice boards, placed at various locations, will display key information on human rights and modern slavery, translated into the languages spoken at each site.

## IBA's Local Operations & Supply Chain

IBA distributes products to its Australian wholesaler and retailer customers. More than 99% of these products are manufactured and supplied to us by our parent company, Imperial Brands. However, IBA also distributes a small number of products manufactured and supplied by companies that are not part of the Group. These products make up less than 1% of IBA's annual trade volumes.

IBA considers its downstream supply chain to present a low risk of modern slavery practices given that its direct supply chains are based and controlled in Australia and are limited to the distribution of manufactured products as well as the professional services required to support the operation of its business.

<sup>8</sup> Our Country Rating Model prioritises our sourcing origins based on several factors, including human rights risks.

# ASSESSMENT OF MODERN SLAVERY RISK WITHIN OUR OPERATIONS AND SUPPLY CHAIN & ACTION EFFECTIVENESS CASE STUDY

## HUMAN RIGHTS CORNERS

One of the Group's human rights ambitions is to conduct training and introduce communication initiatives to increase awareness of human rights, particularly for those who do not regularly work in front of a computer and those for whom English is not their first language. Imperial Brands believes that understanding human rights is a key part of minimising their violation.

Inspired by actions taken at its Greensboro Operations manufacturing site in the US, Imperial Brands will continue to expand the use of this process and aim to include it in its planned Human Rights Corners.

These notice boards, placed at various locations, will display key information on human rights and modern slavery, translated into the languages spoken at each site. With the support

of local champions and its Communications and Learning & Development team, Imperial Brands aims to provide communication content in local languages to enhance accessibility and understanding.





# ASSESSMENT OF MODERN SLAVERY RISK WITHIN OUR OPERATIONS AND SUPPLY CHAIN & ACTION EFFECTIVENESS

## MODERN SLAVERY SELF-ASSESSMENTS

Building on a modern slavery review project conducted across its manufacturing sites, Imperial Brands mapped out the modern slavery workforce risks and potential areas of concern for its Global Supply Chain operations. This included owned factories' distribution centres and ITG Brands' operations management.

Imperial Brands used a self-assessment questionnaire for 21 modern slavery leading indicators to assess its baseline. From this exercise, Imperial Brands learned that improvements could be made in the clarity of the self-assessment questionnaire, and there were practical challenges in gathering data from some manufacturing sites. These findings were instrumental in shaping several modern slavery commitments for 2024.

To continue to minimise its risk of being exposed to modern slavery and labour exploitation, Imperial Brands reframed its modern slavery indicators to Human Rights Leading Indicators (HRLI). These leading indicators are a series of questions upon which the Group ask Imperial Brands-operated manufacturing sites to report, covering areas including policies and procedures, employment contracts, training, recruitment, and speaking up. Imperial Brands has revised the wording of each indicator, added further guidance, and included examples of how to meet them.

The introduction of the HRLI aims to support its own-operated sites to better understand the Group's human rights expectations. Imperial Brands also aims to improve the accuracy of our reporting and strive for alignment with its Human Rights Policy. Imperial Brands aims to report on the indicators in 2025 and to enhance compliance against its HRLI through its local champions. The Group's champions network offers a forum where sites facing similar challenges can collaborate and share best practices, as well as new materials. Those sites that are yet to meet the indicators will develop action plans to address potential gaps.



98% of Imperial Brands' factory sites self-assessments are compliant with its leading indicators.

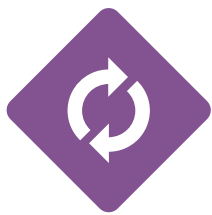
There are two sites that will address gaps to reach compliance with the Group's internal standard in FY25.

# DUE DILIGENCE PROCESSES

The Group's focus in 2024 was to continue strengthening its due diligence process in alignment with international frameworks, including the UN Guiding Principles on Business and Human Rights, and legislation to ensure it is equipped to identify, prevent, and mitigate potential human rights risks.



# DUE DILIGENCE PROCESSES



The Group's focus in 2024 was to continue strengthening its due diligence process in alignment with international frameworks, including the United Nations Guiding Principles on Business and Human Rights and legislation, to ensure it is equipped to identify, prevent, and mitigate potential human rights risks.



- Imperial Brands reframed its modern slavery leading indicators as Human Rights Leading Indicators (HRLI). Imperial Brands also enhanced the descriptions of these indicators, providing further guidance and examples. The introduction of the HRLI aims to help its own-operated sites better understand their requirements. Imperial Brands also seek to improve the accuracy of its reporting and strive for alignment with its Human Rights Policy.
- In addition to its operated manufacturing sites, Imperial Brands has invited three groups of neighbouring countries – or “clusters” - to begin reporting against its HRLI. The clusters comprise the West Africa cluster (with the Ivory Coast as a pilot), the South East Europe cluster (with Italy and Greece as pilots), and the Australasia cluster (with IBA, Australia as a pilot).
- As part of its modern slavery commitments, the Group targeted to conduct three in-person modern slavery audits, but successfully completed five, expanding the audit work to geographically proximate sites. In the Ivory Coast, the Group audited its Abidjan printing factory and the Bouaké factory, approximately 350 kilometres from the capital; and in the US, audited its factories in Greensboro, North Carolina, and McAdoo, Pennsylvania. The fifth audit was conducted at the Group's Ain Harrouda factory in Morocco. Expanding the audit work enhanced understanding of the local context and enabled Imperial Brands to share best practices with other factories facing similar challenges.
- Imperial Brands piloted additional lighter-touch modern slavery audits conducted online in Burkina Faso, Madagascar, Puerto Rico, Taiwan, and the US. These targeted sites consistently reported strong compliance with its leading indicators and helped identify potential inconsistencies and share best practices.
- Separately, the Group Internal Audit (GIA) team assessed human rights controls in factories located in Joure (Netherlands), Bangui (Central African Republic), Sävsjö (Sweden), and Manisa (Türkiye). Observations were raised in two audit reports (Joure and Bangui). By the end of 2024, all recommendations made by GIA had been implemented by the respective factories.
- Imperial Brands closely monitored the latest developments in upcoming legislation, such as the European directives on corporate sustainability reporting and corporate sustainability due diligence. Imperial Brands aims to be fully prepared for when these regulations come into effect to avoid any disruptions in its value chain.



# DUE DILIGENCE PROCESSES

## CASE STUDY

### LIGHTER-TOUCH MODERN SLAVERY AUDITS

Recognising that in-person modern slavery audits covered only a small portion of its reporting sites, in 2024 Imperial Brands piloted “lighter-touch” modern slavery audits, conducted online and focused on a selection of its leading indicators. These indicators included the prohibition of modern slavery, implementation of measures to prevent harassment and threatening behaviour, communication of its Speaking Up services, employment contracts stating working hours and wages, and monitoring of records to identify high levels of occupancy at a single address. The lighter-touch audits provided an additional opportunity to consider approaches being taken in different locations and to develop action plans to enhance its performance.





# DUE DILIGENCE PROCESSES

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## GROUP OPERATIONS

In 2024, Imperial Brands took steps to enhance its human rights due diligence processes across its sites, consolidate access to its Speaking Up process, and further embed human rights awareness across functions within the business. This included conducting five in-person international modern slavery audits. Imperial Brands selected these locations using a combination of international data and local knowledge from its own operations. They were unique opportunities to identify and act on potential concerns and gain a better

understanding of the local context. Additionally, Imperial Brands piloted lighter-touch modern slavery online audits in Puerto Rico, Taiwan, Madagascar, Burkina Faso, and the US.

The audits did not identify any instances of suspected modern slavery. Areas of improvement were identified. These included clarifying the benefit of engaging with suppliers to encourage them to check any high levels of occupancy of people at a single address and to check for unrelated people using the same bank account.

The Group's operations are regularly monitored and audited using a risk-based approach. Where a risk is identified,

internal audits can include an assessment of labour practices, health and safety procedures in place as well as assessing local employee awareness of, and training in, the following: Imperial's Code of Conduct; International Marketing Standards; Whistleblowing Policy; and Grievance Policy.

GIA continued to develop the Human Rights Internal Audit Module, applying it in selected locations using a risk-based approach, as part of Imperial Brands' factories and markets audit plan. The Human Rights Audit Module was recently reviewed and updated to reflect the new HRLIs.

The modern slavery leading indicators were reviewed during four factory audits in the financial year 2024 in Joure (Netherlands), Bangui (Central African Republic), Sävsjö (Sweden), and Manisa (Türkiye). Observations were raised in two audit reports (Joure and Bangui). By the end of 2024, all recommendations made by GIA had been fully implemented by the respective factories.

Modern slavery was also reviewed as part of four market audits, which considered general awareness and supplier-related risks.

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## IBA'S LOCAL PROCESSES

**IBA has its own business processes for assessing the risk of modern slavery in its supply chain. These are steps are taken alongside the activities driven by Imperial Brands at Group level.**

### ETHICAL SOURCING

IBA uses an ethical supplier screening tool in its procurement and due diligence processes. The ethical screening tool provides reports on the 'riskography' of the supplier and provide details on recent or historical events to the extent they concern the supplier and any potential modern slavery related issues.

The ethical supplier screening tool enables IBA to run checks on businesses before engaging with them and to ensure that existing supplier relationships are suitable and align with Imperial Brands' Group objectives. The tool also enables IBA to receive alerts and update reports about its suppliers. The ethical supplier screening tool is used on new contractors engaged by IBA. Overall, IBA has undertaken screening on suppliers representing approximately 95% of IBA's annual third-party spend.

### MODERN SLAVERY QUESTIONNAIRE

In 2024 IBA continued using its Modern Slavery Supplier Questionnaire which is required to be completed by all new key suppliers. This questionnaire allows IBA to assess the relative risks of a potential supplier's supply chain and will contribute to IBA's decision on whether or not to engage with that supplier.

### CONTRACT

IBA's standard procurement contracts contain express provisions obliging its suppliers to take reasonable steps to ensure that its supply chains and businesses are free of human rights abuses, trafficking or slavery. IBA also seeks that suppliers notify IBA of any actual or suspected modern slavery practices in their supply chains, where those practices have any connection to the supplier's provision of goods or services to IBA. The Group's contracts with its customers also contain similar provisions.

In all circumstances, IBA seeks that its customers and third-party suppliers agree to its modern slavery provisions; however if a supplier will not agree to be bound by these terms, IBA relies on other factors to determine the appropriateness of a new or continuing relationship with that supplier. These factors include its existing relationship with the supplier, its knowledge of their supply chains, whether the supplier is itself a reporting entity under the Modern Slavery Act 2018 (Cth) and its submissions to date, the search results of ethical screening checks, and any other relevant factors.

### TRAINING AND AWARENESS

All IBA employees are required to undertake Code of Conduct training on commencement of employment, and refresher training is required whenever the Code of Conduct is updated.

# DUE DILIGENCE PROCESSES

## TOBACCO LEAF SUPPLY

Imperial Brands wishes to make a positive impact within its suppliers' tobacco-growing communities and Imperial Brands is working in partnership with its leaf suppliers to identify issues within tobacco-growing communities. Imperial Brands use Supply Chain Impact Assessments conducted in collaboration with its suppliers, which enable the Group to focus on local priorities and strengthen policy commitments and standards in order to increase the positive impact of its actions.



All Human and Labour Rights potential issues reported to date by suppliers through STP<sup>9</sup> have been acted upon and Imperial Brands has engaged with suppliers on their efforts to address those issues. This approach includes its 'Leaf In-Country Verification' methodology to corroborate information provided by suppliers through STP on their approach to address potential risks identified, and further understand their systems, processes and interventions in place. Imperial Brands conducted this in-country verification for three of the remaining five<sup>10</sup> priority countries<sup>11</sup> in 2024<sup>12</sup> and completed an annual review to improve this process.

Within its leaf supply chain seven Supply Chain Impact Assessments (SCIA) have been conducted. For those that are complete, supplier action plans are in progress.

The Group's 'Leaf Partnership' program supported over 128,000<sup>13</sup> new beneficiaries in its priority countries across Africa, Asia, the Americas, and Europe. In funding these projects, Imperial Brands aim to boost its suppliers' efforts at addressing the root causes of human rights risks within their supply chains.

9. Crop year data is reported on STP once the season is fully completed, and then undergoes a desktop validation. Crop year 2023 has now been fully responded to by Imperial Brands.

10. The fifth country was deemed out of scope due to regional conflict and posed personal safety and security risk for travel.

11. The Group's Country Rating Model prioritises its sourcing origins based on several factors, including human rights risks.

# DUE DILIGENCE PROCESSES

## TOBACCO LEAF SUPPLY

### ADDRESSING CHILD LABOUR RISKS

As with other agricultural industries, the risk of child labour is highest in the cultivation part of its supply chain. In addition to working directly with its suppliers, Imperial Brands recognises that child labour is a multi-stakeholder issue, which no single entity can address in isolation.

In collaboration with key stakeholders, including the industry and suppliers operating in these communities, Imperial Brands seeks to address the risk of child labour through three main activities:



#### STP

The Human and Labour Rights section of STP is a critical element for the respect of human rights and is aligned with the relevant International Labour Organisation (ILO) core conventions and the principles and guidance contained within other external frameworks such as the UNGPs.



#### The Group's Leaf Partnership Projects

Imperial Brands works directly with its leaf suppliers to fund projects in tobacco growing communities to help tackle some of the root causes of child labour.



#### The Eliminating Child Labour in Tobacco Growing Foundation (ECLT)

Imperial Brands is a member of the ECLT and support its aims to tackle the root causes of child labour.

# DUE DILIGENCE PROCESSES

## SUSTAINABLE TOBACCO PROGRAMME

**In 2024, Imperial Brands continued to collaborate with the industry and enhanced its due diligence processes to identify, prioritise, respond, measure, and report on the work Imperial Brands and its suppliers do as part of a continual process to improve human rights impact.**

Through cross-industry dialogue and a continual improvement cycle, the STP has been designed to enable the Group's suppliers to report on the steps they are taking to produce a sustainable quality supply of tobacco leaf, as well as providing the opportunity for farmers to improve labour standards, raise standards of living and address environmental challenges, by sharing knowledge on good agricultural practices.

All suppliers from whom Imperial Brands source tobacco are expected to participate in the STP. STP is independently managed on behalf of the participants by a Secretariat and is a framework for continuous improvement. Using an independent online platform, the Secretariat gathers specific data across eight themes – one of which is Human and Labour Rights – from suppliers via an annual self-assessment questionnaire. All this data is validated remotely and verified in-field on a risk basis by independent subject-matter experts.

Through the STP, suppliers are empowered to report on any risks identified and, on the actions, they are taking to address them. When this data is verified, the programmes and interventions that are in place in its supply chains

are checked and measured. Additionally, Imperial Brands complement this process with in-country verifications carried out by its Leaf team to corroborate information provided by suppliers through STP on their approach to address potential risks identified and further understand their systems, processes and interventions in place. In 2024, in-country verification was conducted in three of its five priority countries<sup>14</sup> which had not been verified in 2023 and a further three countries, as a risk-based selection. These exercises gave Imperial Brands the opportunity to see where suppliers could benefit from support to increase their impact, through Leaf Partnerships. The Group's progress in the remaining two of its priority countries was impacted by regional conflict and civil unrest.

The STP annual assessment is part of its formal supplier relationship management and is integral to the suppliers' ratings that Imperial Brands determines along with quality, cost and value. Where a supplier persistently fails to demonstrate how they are managing their environmental, social and governance responsibilities in a certain sourcing origin, Imperial Brands will consider ceasing purchases from it.

# DUE DILIGENCE PROCESSES

**Through its procurement processes, Imperial Brands expects its suppliers to meet the minimum standards outlined in its Supplier Code of Conduct. Imperial Brands has regular meetings throughout the year with its centrally managed suppliers where any ESG-related concerns can be raised. If a supplier fails to demonstrate its commitment to ESG, Imperial Brands may require improvements or may terminate the relationship.**

## NTM AND NGP SUPPLY

The Supplier Qualification Programme is the first screening process for all new NTM and NGP suppliers.

This involves suppliers completing a self-assessment, which includes questions on business conduct, environmental management, and labour practices, including discrimination, child and forced labour, freedom of association, remuneration, working hours and health and safety.

As its NGP business grows, Imperial Brands is considering ways to reduce the risk of conflict minerals in its supply chain by asking its NGP suppliers to complete a Conflict Mineral Reporting Template that allows for the tracing of 3TG (Tungsten, Tin, Tantalum, and Gold) in its supply chain.

Once on board, its Global Quality team perform their own reviews, which may include the supplier being asked to provide evidence for their management of ESG issues, including how the supplier communicates their own Code of Conduct and grievance policies across their operations and how they conduct audits and act on findings.

## SERVICES AND GOODS SUPPLY

The Group's logistics and indirect suppliers of goods and services, including facilities management, do not undergo the Supplier Qualification Programme. Where Imperial Brands has run a tender process, it requests the supplier provide copies of policies relevant to the services that they supply, which may include those addressing labour practices, forced labour and child labour (in the case of service outsourcing or goods manufacture). Imperial Brands reviews the policies as part of the selection process.

For larger service requirements, for example a new outsourced service or a move of service provision to a different geography, or goods manufacture for Imperial, Imperial Brands would typically conduct a site visit as part of the selection process. Imperial Brands does not carry out regular onsite audits of its indirect suppliers. Any site visits would be ad-hoc and defined on a case-by-case basis if an area of ESG risk has been identified.

14. The Group's Country Rating Model prioritises our sourcing origins based on several factors, including human rights risks.



# EXTERNAL ALLEGATIONS & REMEDiation

Imperial Brands is committed to investigating potential human rights issues identified within its supply chain and direct operations. The Group takes any allegations relating to human rights, including modern slavery, extremely seriously.

# EXTERNAL ALLEGATIONS AND REMEDIATION



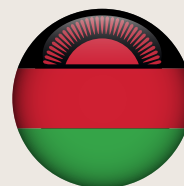
Imperial Brands is committed to investigating potential human rights issues identified within its supply chain and direct operations. The Group takes any allegations relating to human rights, including modern slavery, extremely seriously. Imperial Brands pursues multi-stakeholder initiatives, including an industry-wide Sustainable Tobacco Programme which is aligned to the UNGP and engage both internally and with any relevant external stakeholders, which may include suppliers and NGOs, to investigate allegations and respond to any issues identified effectively.



## MALAWI

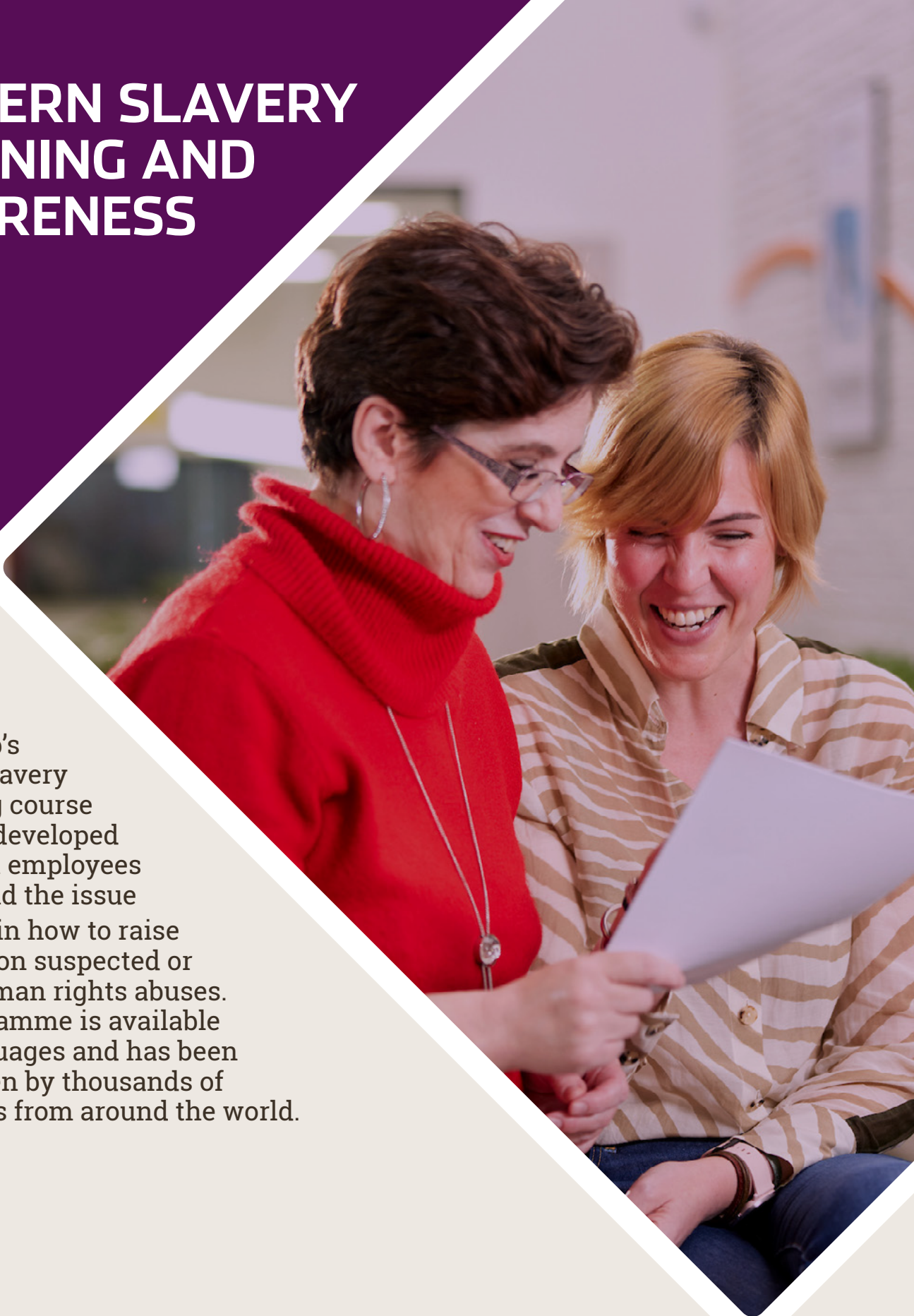
In June 2020 Imperial Brands responded to a claimant law firm's allegations of human rights issues in the Malawian tobacco supply chain, which included allegations relating to child and forced labour.

In December 2020, a claim was filed in the High Court of England and Wales against Imperial Brands PLC, Imperial Tobacco Limited and four of its subsidiaries by a group of tobacco farm workers. Imperial is vigorously defending the claim. As this is an ongoing litigation, Imperial Brands is unable to comment further.



# MODERN SLAVERY TRAINING AND AWARENESS

The Group's modern slavery e-learning course has been developed to support employees understand the issue and explain how to raise concerns on suspected or actual human rights abuses. The programme is available in 14 languages and has been undertaken by thousands of employees from around the world.





# MODERN SLAVERY TRAINING AND AWARENESS



The Group's Code of Conduct is embedded throughout Imperial Brands and IBA, driving our responsible approach. It is aligned with the policies, internal controls and risk management processes that underpin the Group's strategy. It also includes our respect for human rights.

In 2024, the Code was revised and aligned with Imperial Brands' Strategy, Behaviours, ESG Strategy and its new Supplier Code (published in 2023). It highlights the importance of Speaking Up about concerns and the value Speak Ups can bring to a strong culture of compliance.

The Code sets out the responsible behaviours Imperial Brands expect from employees in their dealings with colleagues, customers, consumers, suppliers, agents, intermediaries, advisers, governments and competitors.

At the end of 2024, the refreshed Code has been published in 29 languages.

The roll-out of the Code will continue through FY25, supported by a dedicated learning programme.

The Group's modern slavery e-learning course has been developed to support employees understand the issue and explain how to raise concerns on suspected or actual human rights abuses. The course is available in 14 languages, including Chinese Traditional, Czech, Dutch, English, French, German, Greek, Italian, Japanese, Polish, Portuguese, Romanian, Spanish, and Ukrainian. Additionally, in-person training was carried out in Madagascar and Laos throughout the respective crop seasons in 2024. In Madagascar, Imperial Brands reached 100% of its directly contracted farmers, and 92% of seasonal workers on its commercial farms (an increase from 47% in 2023). While in Laos, the training was delivered to 890 directly contracted farmers, representing 98% of the grower base.

Training on sustainable practices and human rights for the Leaf team and directly contracted farmers is an ongoing process. This is complemented by the efforts of the vast majority of the Group's key suppliers, who provide training to farmers throughout the growing season, particularly during peak growing periods. A range of methods are used, such as posters, handbooks, storytelling and kits to help land key messages.

In 2023, as part of Imperial Brands' ongoing commitment to continue raising awareness and further enhance its knowledge of human rights and modern slavery, the Group launched a new ESG digital awareness programme for employees worldwide.

This digital training module focuses on explaining what human rights are, its commitment and role in respecting and promoting human rights, how to recognise the main signs of modern slavery, and how to report potential instances of human rights violations, both internally and externally. Imperial Brands also created specific content for different areas of its business, in particular, operations, procurement, salesforce, and office workers. At the end of the training, a list of additional resources is provided for those employees who wish to expand their knowledge about human rights and modern slavery. Using easy to follow, engaging and informative content, along with a list of additional resources for those employees who want to deepen their knowledge, its aim is to raise awareness and encourage its employees to become human rights and modern slavery 'champions'. Imperial Brands believe that further improving its understanding of human rights will be instrumental in minimising the risks of potential abuses the Group may be exposed to. This digital training module became mandatory in 2024 for those with a management role and all employees in English-speaking countries. More than 3,950 employees have completed the training.

To further increase awareness about human rights, Imperial Brands delivered 19 webinars across its business, three of which were for its hubs in Poland, conducted in English and Polish, assisted by a translator. Overall, more than 940 employees participated in these sessions.

For the second consecutive year, Imperial Brands partnered with Hope for Justice to host a series of informative sessions on modern slavery. These sessions were conducted in English and French and were attended by more than 230 employees.

To mark Anti-Slavery Week 2024, the Group launched an internal communication campaign aimed at raising awareness about the complex and multifaceted nature of modern slavery.



Imperial Brands' modern slavery digital course has been developed to support employees to understand the issue and explain how to raise concerns on suspected or actual human rights abuses. The Group's new human rights digital learning seeks to deepen its commitment and role in respecting and promoting human rights.









# PROGRESS AGAINST THE GROUP'S 2024 COMMITMENTS



In 2024, the Group enhanced its Human Rights Internal Audit Module and applied it in selected locations. Imperial Brands revised its modern slavery leading indicators, and conducted five audits in priority locations. It rolled out the updated Supplier Code of Conduct and implemented the Third-Party Risk Framework to improve human rights and environmental aspects. Imperial Brands reported on actions to prevent and address human rights issues and conducted its first Conflict Minerals Supplier Assessment to identify sourcing risks.



# PROGRESS AGAINST THE GROUP'S 2024 COMMITMENTS

COMMITMENT	STATUS	COMMENT
Continue to enhance the Human Rights Internal Audit Module, applying it in selected locations (taking a risk-based approach) as part of Imperial Brands' factories and markets audit plan.	Completed 	The Human Rights Internal Audit Module was reviewed during four factory audits in the Netherlands, the Central African Republic, Sweden and Türkiye. Modern slavery was also reviewed as part of four market audits. <b>See pages 23 and 25.</b>
Revisit the wording of its 21 modern slavery leading indicators and create a guidance document to enhance clarity and reporting consistency.	Completed 	The Group's modern slavery indicators were reframed to Human Rights Leading Indicators (HRLI). Imperial Brands enhanced the description of the indicators with further guidance and examples. <b>See pages 3, 21 and 23.</b>
Introduction of the 21 modern slavery leading indicators to a (risk-based) selection of markets and clusters.	Completed 	Three Group "clusters" were invited to start reporting against this new set of leading indicators, namely the West Africa cluster, the SEE cluster, and the Australasia cluster (specifically, IBA). <b>See page 23.</b>
Conduct three audits against the Group's 21 modern slavery leading indicators in priority locations following a risk-based approach.	Completed 	Imperial Brands committed to conducting three in-person modern slavery audits, but successfully completed five. In the Ivory Coast, Imperial Brands audited its Abidjan printing factory and the Bouaké factory. In the US, its factories in Greensboro and McAdoo were audited. The fifth audit was conducted at the Group's Ain Harrouda factory in Morocco. <b>See pages 3, 23 and 25.</b>
Continue to roll out Imperial Brands' updated Supplier Code of Conduct to current and new suppliers.	Completed 	Imperial Brands successfully continued the rollout of Imperial Brands' updated Supplier Code of Conduct, communicating to its suppliers its values and expectations for their responsible and ethical business practices. <b>See page 3 and 8.</b>
Implement the Third-Party Risk Framework developed in 2022 and obtain ethical trading risk self-assessment questionnaires from Imperial Brands' key partner suppliers to better focus on gaps and work with them to make continual improvements in the human rights and environmental aspects of its supply chain operations.	Completed 	Imperial Brands has implemented ethical trading risk assessments for its partner suppliers, covering over 60% of its supplier spend. The Group has established a risk-based approach to determine when suppliers need to undergo a Sedex Members Ethical Trade Audit (SMETA) by a verified third-party auditor. Using the audit results, Imperial Brands will collaborate with its suppliers to minimise risks and enhance their overall ESG performance. <b>See page 3 and 8.</b>

# PROGRESS AGAINST THE GROUP'S 2024 COMMITMENTS

COMMITMENT	STATUS	COMMENT
Report on key actions being taken to prevent and address any human rights-related issues arising within its supply chain, whether this information comes through from its own assessments, the industry-wide Sustainable Tobacco Programme or from independently commissioned Impact Assessments being conducted within tobacco growing communities. Imperial Brands aims to cover its remaining five priority countries with an in-country verification in 2024.	Completed 	Imperial Brands has addressed all reported human and labour rights issues from suppliers through the STP. The 'Leaf In-Country Verification' methodology was used to verify supplier information and understand their risk management systems. Imperial Brands has conducted verifications in priority countries in 2024 and completed an annual review to improve this process. Seven Supply Chain Impact Assessments (SCIA) were conducted within the leaf supply chain, with supplier action plans in progress for completed assessments. The 'Leaf Partnership' program supported over 128,000 new beneficiaries in priority countries across Africa, Asia, the Americas, and Europe, aiming to help suppliers address the root causes of human rights risks. <b>See pages 3, 19, 26 and 28.</b>
Undertake Imperial Brands' first Conflict Minerals Supplier Assessment in order to understand what minerals are used in its supply chain and identify its areas of sourcing risk.	Completed 	Imperial Brands has looked at how to minimise the risk of conflict minerals in its supply chain by ensuring that all NGP suppliers complete a Conflict Mineral Reporting Template that allows for the tracing of 3TG in its supply chain. <b>See page 28.</b>



# NEXT STEPS IN 2025

Imperial Brands remains committed to strengthening its approach to addressing modern slavery in its operations and supply chain and recognises that this is a continuous, collaborative and evolving process.



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## The Group's priority aims for FY25 are to:

Perform three in-person and three lighter-touch **human rights audits** to evaluate understanding and reinforce the implementation of its human rights leading indicators.



**Set up "Human Rights Corners"** in manufacturing sites and markets to promote awareness of its human rights initiatives in local languages.



**Report on key actions being taken** to prevent and address any human rights-related issues arising within the Group's supply chain, whether this information comes through from its own assessments, the industry-wide Sustainable Tobacco Programme or from independently commissioned Impact Assessments being conducted within tobacco growing communities.



### **Aim to enhance and broaden its risk-based assessment approach**

by expanding the use of Sedex and SMETA audits into more areas of the Group's supply chain, enabling a more comprehensive evaluation of its supplier's and their ethical practices. This expansion will strengthen its commitment to responsible sourcing and improve visibility across all levels of the supply chain.



**Collaborate with the Global Human Rights Manager** on an audit within FY25 to help continue to improve GIA's understanding and capability in this area, as well as enhance the existing audit module content where necessary. Apply the audit module on selected audits (taking a risk-based approach), as part of Imperial Brands' audit plan.





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